fixing maximum prices, and on 30th June, 1917, an Order in Council was published under D.O.R.A., giving the Food Controller full powers of requisitioning food and fixing prices. It was necessary to take some strong action of this kind, because by June, 1917, the Board of Trade figures showed that the retail food prices had now risen 102 per cent. above their level in July, 1914, whereas the general cost of living index, including food, had risen only 70 to 75 per cent.

The War Cabinet considered this matter further on 10th July, 1917. The steadily mounting prices for food were producing a good deal of industrial unrest which was interfering with the output of war material. Workers were striking to obtain higher wages with which to meet the higher costs of living. We felt that for the vigorous prosecution of the War a contented working class was indispensable, and we took note of the fact that in France bread was being supplied to the people at rates corresponding to an eightpenny quartern loaf. As wheat and flour were now under full control, we decided to fix *A ninepenny* the price of bread at ninepence per *loaf* quartern loaf. This would involve the Treasury in a loss of £33 million. The French were spending £37 million in subsidising their loaf. We also authorised the Food Controller to fix prices for meat, varying with the customs of

the different localities.

The decisions reached were announced by Lord Rhondda in the House of Lords on s6th July. He explained that his purpose was to fix the prices of these articles of prime necessity over the supply of which he could obtain effective control at every stage from the producer down to the retailer. He would